

PRESS RELEASE

**United States Senate
Committee on Armed Services**



**Strom Thurmond, South Carolina
Chairman**

SR-228 Russell Senate Office Building, Washington, DC 20510 202-224-3871

MEDIA CONTACTS:

John DeCrosta
Senator Thurmond's office
202-224-7730
John Brennan
Senator Levin's office
202-224-6221

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**STROM THURMOND NATIONAL DEFENSE AUTHORIZATION BILL
FOR FISCAL YEAR 1999**

Upon conclusion of the conference Senator Thurmond commented: "I am pleased by the bipartisan manner in which we were able to complete the conference on the National Defense Authorization Bill for Fiscal Year 1999. I believe everyone involved in this year's conference agrees that we have produced a responsible bill which moves the Department of Defense on a steady course and is consistent with the balanced budget agreement.

"By carefully crafting a defense bill which takes into consideration the many aspects of training and equipping a modern military, as well as ensuring quality of life programs for our military and their families, we are sending a vital signal of our commitment and support to our men and women in uniform.

"As I have previously stated with the heavy commitments on our Armed Forces, I believe we need to provide more money for defense. The Committee will address this issue and other concerns in hearings before the Senate adjourns."

Senator Thurmond concluded, "I am grateful for the friendship and support of my friend and colleague, Senator Carl Levin of Michigan, the Ranking Minority Member of the Committee. He has again demonstrated invaluable leadership and support as we have crafted this defense authorization bill. Finally, I want to acknowledge the leadership of Chairman Spence and Representative Skelton in this challenging process. Their long and tireless

service in support of our military personnel and the security of our Nation are reflected in the outcome of this conference."

Senator Levin added, "This conference resolved a number of very difficult issues including funding for Bosnia, gender-integrated training, tritium production and restrictions on base closure. I believe we have a good conference agreement and I commend Senator Thurmond for his leadership in resolving these issues in a timely manner so that we can have a defense authorization bill in place before the appropriations bill and before the start of the fiscal year. It is a most fitting tribute that in his final year as Chairman this legislation is named in Senator Thurmond's honor."

FUNDING AUTHORIZATION

The Conference Report authorizes a funding level for new budget authority of \$270.5 billion, which is \$2.6 billion below the inflation-adjusted fiscal year 1998 spending level. The authorized level of funding is consistent with the balanced budget agreement. In addition, the conferees agreed to authorize the \$1.9 billion in emergency funding for operations in Bosnia requested by the President.

The conferees believe that the authorizations provided for in this conference report address some of the most serious modernization concerns expressed by the leadership of the Department of Defense, while maintaining the balance between current and future readiness.

CONFERENCE HIGHLIGHTS

Authorized a 3.6 percent pay raise for members of the uniformed services.

Authorized an increase of approximately \$90.0 million for advanced space systems and technologies, and an increase of approximately \$132.0 million for strategic force upgrades.

Required that the Department of Defense, and any other Federal agency, be reimbursed for any costs incurred as a result of the sale of those portions of the radio frequency spectrum currently utilized by that agency.

Required the Department of Defense to prioritize its efforts to ensure that its most significant mission critical systems are made Year 2000 (Y2K) compliant.

Approved the shipbuilding budget request for procurement of the second new attack submarine (NSSN), 3 *DDG-51 Arleigh Burke* class destroyers, the second *LPD-17 San Antonio* class amphibious ship, the last Large Medium Speed Roll-on/Roll-off (LMSR) strategic lift ship, and one oceanographic survey ship (T-AGS).

Approved the budget request of \$124.5 million to accelerate the advance procurement and construction of components for the next nuclear aircraft carrier, CVN-77.

Approved \$742.8 million for the procurement of eight V-22 aircraft and advance procurement of additional aircraft.

Authorized \$50.0 million for the advance procurement for LHD-8.

Required the Secretary of Defense to ensure that F-22 flight testing reaches 433 hours (10 percent of the total planned testing) before releasing advance procurement funds for lot II aircraft. The Secretary may release those funds with less than 10 percent of flight testing complete, if he certifies to the congressional defense committees that a lesser amount of flight time is sufficient basis for a Defense Acquisition Board (DAB) decision on lot II advance procurement.

Authorized emergency funding of up to \$1.9 billion to fund the participation of U.S. forces in the NATO operation in Bosnia for fiscal year 1999.

Agreed to transfer the jurisdiction of export licenses for commercial communications satellites and related items to the State Department's U.S. Munitions List by March 15, 1999.

Authorized an additional \$660.0 million for military construction and family housing to enhance the quality of life of our military personnel.

SUBCOMMITTEE ON PERSONNEL

In the areas of personnel, compensation, and health care, the conferees provided for significant improvements in the quality of life of military personnel and their families.

! Authorized a 3.6 percent pay raise for members of the uniformed services effective January 1, 1999.

! Authorized an active duty end strength of 1,395,788; which

is 35,591 below the fiscal year 1998 authorization.

- ! Authorized a reserve component end strength of 885,322; which is 9,937 below the fiscal year 1998 authorization.
- ! Authorized a comprehensive series of accession and retention bonuses and special pays to assist recruiters and those responsible for retention of personnel.
- ! Directed the secretaries of the military departments to provide for separate and secure housing for male and female recruits with sleeping areas separated by permanent walls and served by separate entrances effective October 1, 2001 and limited after-hours access to the sleeping areas to members of the same gender as the recruits housed there except that members of the chain of command, in performing their official duties, may enter the sleeping areas after normal training hours if escorted by a member of the same gender as the recruits housed there.
- ! Authorized the President to call-up reserve forces in response to domestic emergencies involving a use, or threatened use, of a weapon of mass destruction and permitted reserve full-time support personnel to perform duties in support of emergency preparedness programs to prepare for or to respond to an emergency involving the use of a weapon of mass destruction.
- ! Extended the reporting dates required of the Commission on Military Training and Gender-Related Issues to October 15, 1998, for the initial report and to March 15, 1999 for the final report.
- ! Extended until September 30, 2001 the force reduction transition period management and benefits authorities established during the drawdown of the military services.
- ! Increased the rate of pay for cadets and midshipmen at the service academies from \$558.04 per month to \$600.00 per month, effective January 1, 1999.
- ! Authorized a series of three initiatives to provide health care to Medicare-eligible Department of Defense beneficiaries, including a Federal Employee Health Benefits Plan demonstration limited to not more than 66,000 participants, a redesigned pharmacy benefit for Medicare-eligible Department of Defense beneficiaries at two sites, and a TRICARE Senior Supplement demonstration in which TRICARE would function similar to a Medi-gap insurance

policy. The demonstrations and the redesigned pharmacy benefit would begin not later than January 1, 2000. The demonstrations would end not later than December 31, 2002.

- ! Required the Secretary of Defense, the secretaries of the military departments, and the Surgeons General to take a number of steps intended to enhance the Department's ability to support organ and tissue donor elections made by service members.
- ! Required the Secretary of Defense and the Secretary of Veterans Affairs to survey their respective beneficiary populations to identify, by category of individual, the expectations of, requirements for, and behavior patterns regarding medical care among those beneficiary categories and required the Secretaries of Defense and Veterans Affairs to review all applicable statutes, regulations, policies and beneficiary attitudes that may preclude or limit cooperative health care programs, including the sharing of facilities and other resources, between the Department of Defense and the Department of Veterans Affairs (VA).

SUBCOMMITTEE ON READINESS

- ! Provided additional funds to the following O&M readiness accounts:

Real Property Maintenance	+\$296 million
Base Operations	+\$181 million
Depot Maintenance	+\$151 million
National Guard	+\$127 million
SOCOM Counter-terrorism	+\$13 million
Aviation Spares	+\$155 million
- ! Increased funding for spare parts needed to support Air Force and Navy flying hours.
- ! Supported the Defense Department's effort to re-engineer the movement of the household goods of military families.
- ! Provided additional funds for ammunition procurement including:

25mm M919	+\$20.8 million
120mm HEAT	+\$15.0 million
SMAW	+\$17.0 million
Remote Activation Munitions	+\$6.0 million

- ! Required the Secretary of Defense to provide a report to the Congress outlining the expected costs that the Department of Defense will incur as a result of the reallocation of those portions of the radio frequency spectrum that the Department of Defense utilizes, but are to be sold.
- ! Required the Department to create a comprehensive contingency plan to resolve emergencies resulting from those systems that are not Y2K compliant.
- ! Required the Department to report on the non-Department of Defense information and support systems (public and private) utilized by the national security community, and the efforts underway to ensure that these systems are Y2K compliant.
- ! Required the submission of a plan for the execution of a simulated year 2000 as part of military exercises.
- ! Required that funding for modernization of any information technology or national security system be restricted to systems that are Y2K compliant.
- ! Authorized the "Enhanced Caribbean/Eastern Pacific Interdiction Initiative" that will provide for the deployment of six Cyclone Class Patrol Coastal Ships to U.S. Southern Command's area of responsibility in order to increase the U.S. capability to interdict go-fast boats.
- ! Provided an additional \$7.0 million for the Gulf States Counterdrug Initiative and Regional Counterdrug Training.
- ! Reauthorized the Armament Retooling and Manufacturing Support Initiative.
- ! Authorized the sale of significant quantities of excess materials from the National Defense Stockpile including platinum, palladium, tungsten, and diamond stones.
- ! Provided an additional \$23.5 million for the Special Operations Command's counter-terrorism activities.
- ! Required the Air Force to provide a plan for the future maintenance of the C-17 aircraft.
- ! Authorized \$1.237 billion for the Defense Environmental Restoration Account and a transfer of \$20.0 million to support pollution prevention technology.
- ! Authorized the Administration's request to pay the Canadian

Government \$10.0 million in fiscal year 1999 through the Foreign Military Sales (FMS) Trust Fund Account for the Canadian purchase of unspecified military equipment. The authorization was based on an ex-gratia environmental cleanup agreement between the United States and Canada. The conferees also agreed to include a provision that would require the Administration to provide advance congressional notice for any negotiations related to an ex-gratia settlement of international claims for environmental cleanup.

- ! Required the Department to report to the Congress on the international and domestic issues related to transportation and disposition of foreign manufactured polychlorinated biphenyls.
- ! The conferees acknowledged the recommendations of the 1998 Report of the Interagency Panel on Ship Scrapping, and declined to establish a pilot program with guidelines related to the scrapping of naval vessels.
- ! Authorized the withdrawal and reservation of approximately 12,000 acres of public lands, known as the Juniper Butte Range, Idaho, to support enhanced military training at Mountain Home Air Force Base, Idaho.

MILITARY CONSTRUCTION

- ! Included an authorization of appropriations of \$8,443,742,000 for military construction and family housing. This funding level is \$666.0 million above the Administration's request.
- ! Dedicated approximately 50 percent of the increase to quality of life programs, including child development centers, and physical fitness centers. The agreement recommends an additional \$153.0 million for the construction of new barracks and dormitories and an additional \$107.0 million for new and replacement construction of military family housing units and improvements to existing military family housing units. To maximize the use of excess Department of Defense facilities, the conferees included a Senate provision that requires the Secretary of Defense to report on the feasibility and potential fiscal benefit of leasing excess facilities to the private sector.

SUBCOMMITTEE ON STRATEGIC FORCES

- ! Approved the budget request of \$950.5 million for the National Missile Defense program.
- ! Authorized an increase of \$120.0 million for the Navy Upper Tier (Theater Wide) theater missile defense program, including \$50.0 million for a radar upgrade program.
- ! Authorized an increase of \$22.0 million for the Atmospheric Interceptor Technology program.
- ! Authorized an increase of \$12.0 million for Arrow interoperability so that U.S. and Israeli missile defense systems can operate jointly.
- ! Authorized an increase of \$94.0 million for the Space-Based Laser technology program.
- ! Authorized an increase of \$10.0 million for the Tactical High Energy Laser (THEL) program.
- ! Authorized \$527.4 million for Theater High Altitude Area Defense (THAAD) demonstration and validation (Dem/Val) and no funds for THAAD Engineering and Manufacturing Development (EMD). Also included a provision requiring enhanced competition in the THAAD program.
- ! Authorized a reduction of \$19.0 million from the Medium Extended Air Defense System (MEADS) program, and included a provision requiring the Secretary of Defense to certify that MEADS is funded in the Future Years Defense Program before any Fiscal Year 1999 funds may be obligated for MEADS.
- ! Authorized a reduction of \$73.3 million from the Joint Aerostat program.
- ! Authorized a reduction of \$57.0 million from the Airborne Laser program, and included a provision requiring the Secretary of Defense to conduct an independent review of the technical and operational viability of the program.
- ! Included a provision requiring the Secretary of Defense to establish an enhanced Global Positioning System (GPS) program, and authorized an increase of \$44.0 million for this purpose.
- ! Authorized an increase of \$15.0 million for space control technology development.
- ! Authorized an increase of \$10.0 million for the

Micro-Satellite Technology program.

- ! Authorized an increase of \$23.0 million to stabilize production of the Guidance Replacement Program for the Minuteman III intercontinental ballistic missile.
- ! Authorized an increase of \$86.0 million for B-2 bomber modifications and upgrades.
- ! Included a provision prohibiting the retirement of certain strategic nuclear delivery systems during fiscal year 1999 unless START II enters into force.
- ! Agreed to an increase of \$47.0 million for research and development activities for the Counterproliferation Support Program (\$7.0 million), counterproliferation activities of the U.S. Special Operations Command (\$20.5 million), Chemical-Biological Defense Program (\$15.5 million), and the Counter-Terror Technical Support Program (\$4.0 million).
- ! Authorized \$246.2 million for key Department of Defense programs to counter paramilitary and terrorist threats involving weapons of mass destruction, including \$99.1 million for domestic emergency response preparedness program: \$49.9 million for the Department of Defense and \$49.2 million in the budget of the Department of the Army.
- ! Authorized \$440.4 million for the Cooperative Threat Reduction (CTR) program.
- ! Authorized \$20.0 million for the International Proliferation Prevention (IPP) program.
- ! Authorized \$12.0 billion for Atomic Energy Defense activities of the Department of Energy, a \$407.0 million increase over 1998 funding levels, to ensure that America's nuclear deterrent is reliable, secure, and safe and that the wastes generated by the Department's defense activities are managed in a responsible manner. The authorized amount reflects a net reduction of \$330.0 million to the President's request. Reductions were taken principally from unused prior year funds and defense environmental management privatization.
- ! Authorized \$4.3 billion for weapons activities, an increase of \$228.0 million over 1998 levels and \$5.6 billion for defense environmental restoration and waste management and environmental management privatization, an increase of \$76.0 million over 1998 levels.

- ! Provided an additional \$20.0 million to continue progress on restoring tritium production; an additional \$58.0 million to provide infrastructure upgrades at Department of Energy weapons production plants; a reduction of \$30.0 million to the weapons computing programs; a reduction of \$30.0 million to stockpile stewardship and management construction accounts; a reduction of \$10.5 million to Defense Program Direction; and an undistributed decrease of \$179.0 million to account for uncosted prior year balances.
- ! Provided an additional \$57.0 million for environmental technology development; an additional \$20.0 million for site and project completion; an additional \$71.0 million for post 2006 completion; an additional \$32.0 million for closure activities; a decrease of \$262.0 million for defense environmental management privatization projects; and an undistributed decrease of \$94.0 million to account for uncosted prior year balances.
- ! Prohibited the Department of Energy from spending any funds to implement a technology decision on tritium during fiscal year 1999. This prohibition does not limit the Department's dual track tritium program and does not limit design, planning, or other activities.

SUBCOMMITTEE ON SEAPOWER

The conferees were concerned about the overall decline in modernization funding for the Department of the Navy and for the Special Operations Command. Of particular concern was the disparity between the Navy's ship force structure requirements and the funding available for the recapitalization of the shipbuilding account. To maximize the value of the limited modernization funding, the conferees sought opportunities to achieve cost savings in on-going procurement programs, supported command and control initiatives needed to take full advantage of emerging technologies, address unfunded requirements identified by the chiefs of the Navy, Marine Corps, and Special Operations Command, and supported diverse programs needed by the Department of the Navy to execute its strategic concept of operational maneuver from the sea in littoral operations. The conferees:

- ! Directed \$50.0 million from future carrier research and development be used for CVN-77 technologies that would enhance capability or mitigate cost or risk for future carriers.

- ! Authorized \$98.6 million in Navy research and development for Tactical Tomahawk, a more capable and less expensive version of the Tomahawk missile.
- ! Added \$33.5 million to support Marine Corps (USMC) requirements to procure new light tactical vehicles (HMMWVs).
- ! Added \$64.0 million to complete communications and electronics infrastructure upgrades to USMC installations.
- ! Added \$11.0 million for night targeting systems for USMC AH-1 attack helicopters.
- ! Added \$10.0 million to support research and development activities associated with the Commandant's Warfighting Laboratory.
- ! Authorized the Secretary of the Navy to enter into a multiyear procurement contract for medium tactical vehicles required by the Marine Corps.
- ! Approved the budget request of \$2,002.9 million for procurement of the second ship of a new class of nuclear attack submarines (NSSN) and for advance procurement and construction of future nuclear attack submarines.
- ! Approved the budget request of \$2,679.5 million for the multi-year procurement of 3 DDG-51 *Arleigh Burke* class destroyers and advance procurement for future destroyers.
- ! Approved the budget request of \$638.8 million for the procurement of the second ship of the LPD-17 class amphibious ship and advance procurement for future LPD-17 class ships.
- ! Approved the budget request of \$124.5 million to accelerate the advance procurement and construction of components for the next nuclear aircraft carrier, CVN-77. This continues advance funding which will result in several hundred millions of dollars of savings on the cost of CVN-77.
- ! Approved \$110.1 million for future aircraft carrier research and development and directed \$50.0 million of that authorization be used for CVN-77 technologies that would enhance capability or mitigate cost or risk for future carriers.

- ! Authorized \$742.8 million, for the procurement of eight V-22 aircraft and for advance procurement of additional V-22 aircraft for the Marine Corps. This represents an increase of \$78.0 million and one additional V-22 above the budget request. Also approved the budget request of \$355.0 million for V-22 research, development, test and evaluation.
- ! Authorized \$50.0 million for the advance procurement for LHD-8. This authorization provides initial funding for long lead items to build the more capable *Wasp* class multi-purpose amphibious assault ship instead of proceeding with a future service life extension (SLEP) for the LHA-1 amphibious assault ship.
- ! Approved the budget request of \$2,900.5 million for C-17 procurement, including advance procurement, for the multiyear procurement of the C-17 aircraft.

SUBCOMMITTEE ON AIRLAND FORCES

The conferees focused on several key initiatives to ensure joint forces experimentation is made a centerpiece of future joint assessments, and took action to ensure discipline and accountability is maintained in the F-22 program by insisting on sufficient testing prior to committing to production.

- ! Added \$72.0 million for JSTARS future production.
- ! Added \$45.0 million for F-15 upgrades.
- ! Added \$20.0 million for accelerated EC-130H upgrades.
- ! Continued support of critical flight test research through an addition of the \$7.3 million for the VISTA flight test vehicle, which the Air Force has used in F-22 flight testing.
- ! Added \$10.0 million for the Improved Air Launched Decoy (ITALD).
- ! Added six C-130 aircraft, a ground-based trainer and other support.
- ! Added \$28.0 million to re-engine one RC-135 aircraft, and \$46.0 million to re-engine two KC-135 aircraft.
- ! Added \$15.0 million to accelerate alternate engine

development for the Joint Strike Fighter.

- ! Added \$66.4 million to procure eight additional UH-60 Blackhawk helicopters.
- ! Added \$65.7 million to procure High Mobility Multipurpose Wheeled Vehicles (HMMWVs) necessary to replace aging vehicles found throughout the Army.
- ! Added \$70.0 million to procure upgrades to Bradley fighting vehicles for the Army National Guard.
- ! Added \$45.0 million for MLRS launchers and for fielding requirements associated with Army National Guard modernization activities.
- ! Added \$50.0 million to continue fielding of SINCGARS radios necessary to support reserve component modernization.
- ! Added \$13.5 million for critical night vision equipment modernization requirements.
- ! Added \$24.0 million to accelerate flight testing of the Comanche helicopter.
- ! Added \$6.0 million for critical research and development requirements associated with the high mobility artillery rocket system (HIMARS).
- ! Added \$42.5 million to accelerate procurement and fielding of the family of medium tactical vehicles trucks.
- ! Authorized the Secretary of the Army to enter into a multiyear procurement contract for the hellfire missile.

SUBCOMMITTEE ON ACQUISITION AND TECHNOLOGY

In the areas of defense technology, acquisition policy, and the industrial base, the Committee took a number of actions to ensure robust funding of advanced technology programs for future battlefield superiority, to increase the use of commercial technologies for defense applications, and to make defense programs more affordable.

- ! Included provisions to address management deficiencies in sole-source commercial buying practices.

- ! Increased the science and technology programs of the Department of Defense by a total of \$72.6 million.
- ! Added \$10.0 million to continue efforts in advanced lithography programs.
- ! Supported the services' dual use applications program at a level of \$20.0 million per service.
- ! Authorized flexibility in cost-share requirements for the manufacturing technology (MANTECH) program to strengthen the relationship between the MANTECH program and the weapon system programs it benefits. Added \$21.8 million for underfunded efforts in the Army and Navy MANTECH programs.
- ! Added \$7.0 million to continue research in high definition display technologies for military applications.
- ! Approved a provision reducing the defense acquisition workforce by up to 25,000 positions in fiscal year 1998.
- ! Agreed to a \$13.3 million increase to the fiscal year 1999 budget request for the non-lethal weapons technology (NLW) program for research and development advanced technologies that would provide the U.S. military forces with the tools necessary to limit collateral damage and noncombatant casualties.

GENERAL PROVISIONS

- ! Agreed to provide emergency authorization of \$1.9 billion to fund the participation of U.S. forces in the NATO operation in Bosnia for fiscal year 1999; provided authority for the President to waive a limitation on funding beyond that amount provided the President certifies that the waiver is necessary to the national security interests and the use of additional funds will not adversely affect the readiness of U.S. military forces.
- ! Required the President to implement additional national security controls in the export licensing of commercial communications satellites and related items; required the President to include additional information in the report submitted to Congress waiving restrictions on the export to the People's Republic of China (PRC) of U.S.-origin satellites, and required the President to certify that the export of missile equipment or technology to the PRC, as defined by section 74 of the Arms Export Control Act, are

not detrimental to the U.S. space launch industry, and would not measurably improve PRC missile or space launch capabilities.

- ! Agreed to authorize \$806.1 million for the Department of Defense chemical agents and munitions destruction program, a reduction of \$49.0 million to the budget request. Additionally, required the current program manager for the Assembled Chemical Weapons Assessment (ACWA) to continue to manage ACWA, independent of the Department of Defense, and authorized \$18.0 million for the demonstration of alternatives to the baseline incineration process for the destruction of chemical munitions.
- ! Agreed to repeal the one-year moratorium on the use of antipersonnel landmines by U.S. Armed Forces; provided \$17.2 million for research and development of alternatives to antipersonnel landmines and made \$2.0 million available for alternatives to antipersonnel landmines used in mixed anti-tank mine systems, \$17.2 million for humanitarian demining research and development activities, and \$34.2 million for humanitarian demining operations.
- ! Agreed to a provision requiring the Secretary of Defense to report to Congress by April 15, 1999, on alternatives, including random selection, to the present method of selection of members of the armed forces to serve on courts-martial.
- ! Agreed to a provision which would clarify and simplify the provisions of 10 U.S.C. 1034 which govern Inspector General investigations of complaints of reprisal against members of the armed forces for making protected communications to members of Congress or Inspectors General.